

BEFORE THE BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

UPON THE APPLICATION OF DENBURY ONSHORE LLC TO AN ORDER CLARIFYING THE EFFECTIVE DATE OF THE "MYSTERY CREEK (RED RIVER) UNIT AREA" ENHANCED RECOVERY UNIT, AS ESTABLISHED BY BOARD ORDER 89-2018, IN FALLON COUNTY, MONTANA, AS TO THE FEDERAL INTEREST COMMITTED THERETO, AND SUCH OTHER AND FURTHER RELIEF AS THE MBOGC MAY DEEM APPROPRIATE.

ORDER 57-2020

Docket No. 60-2020

Report of the Board

The above entitled cause came on regularly for hearing on December 3, 2020, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing. All parties, their attorneys, and interested persons were afforded the opportunity to present testimony and evidence at the hearing either in person or, because of the Covid-19 pandemic, via teleconference.
2. The Mystery Creek (Red River) Unit Area, in Fallon County, Montana, was established by Montana Board of Oil and Gas Conservation Order 89-2018 with an effective date of December 13, 2018.
3. The United States Department of the Interior, Bureau of Land Management (BLM) designated the unit for secondary recovery purposes effective as of June 10, 2020.
4. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Conclusions of Law

The Board concludes that the following action is appropriate.

Order

IT IS THEREFORE ORDERED by the Board that the effective date as to the Federal interests committed to the Mystery Creek (Red River) Unit Area is June 10, 2020, and the effective date to all other interests is December 13, 2018.

BOARD ORDER NO. 57-2020

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 3<sup>rd</sup> day of December, 2020.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Steven Durrett, Chairman

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Paul Gatzemeier, Vice-Chairman

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Mac McDermott, Board Member

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Linda Nelson, Board Member

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Dennis Trudell, Board Member

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Joseph Michael Weber, Board Member

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Corey Welter, Board Member

ATTEST:

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Erin Ricci, Administrative Assistant

BEFORE THE BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

UPON THE APPLICATION OF DENBURY ONSHORE LLC TO AUTHORIZE THE PRODUCTION OF OIL AND ASSOCIATED NATURAL GAS FROM THE CHARLES FORMATION / MADISON GROUP WITH RESPECT TO THE CABIN CREEK 24-8R WELL AT A LOCATION OF 840' FSL AND 2,165' FWL IN THE STATEWIDE SPACING UNIT COMPRISED OF SW¼ OF SECTION 8, T10N-R58E, FALLON COUNTY, MONTANA, AS AN EXCEPTION TO A.R.M. 36.22.702.

ORDER 58-2020

Docket No. 62-2020

Report of the Board

The above entitled cause came on regularly for hearing on December 3, 2020, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing. All parties, their attorneys, and interested persons were afforded the opportunity to present testimony and evidence at the hearing either in person or, because of the Covid-19 pandemic, via teleconference.
2. The Cabin Creek 24-8R well is located closer than 660' to the boundaries of the statewide temporary spacing unit comprised of the SW¼ of Section 8, T10N-R58E that applies to production from the Charles Formation.
3. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Conclusions of Law

The Board concludes that the applicant demonstrated the requirements of § 82-11-201, MCA have been met.

Order

IT IS THEREFORE ORDERED by the Board that Denbury Onshore LLC is authorized to produce oil and associated natural gas from the Charles Formation / Madison Group with respect to the Cabin Creek 24-8R well located 840' FSL and 2,165' FWL of Section 8, T10N-R58E, Fallon County, Montana, as an exception to A.R.M. 36.22.702.

BOARD ORDER NO. 58-2020

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 3<sup>rd</sup> day of December, 2020.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Steven Durrett, Chairman

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Paul Gatzemeier, Vice-Chairman

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Mac McDermott, Board Member

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Linda Nelson, Board Member

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Dennis Trudell, Board Member

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Joseph Michael Weber, Board Member

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Corey Welter, Board Member

ATTEST:

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Erin Ricci, Administrative Assistant

BEFORE THE BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

UPON THE APPLICATION OF DENBURY ONSHORE LLC TO DESIGNATE A PERMANENT SPACING UNIT COMPRISED OF LOTS 3 & 4, SW<sup>1</sup>/<sub>4</sub> OF SECTION 8, LOTS 1 & 2, NE<sup>1</sup>/<sub>4</sub>NW<sup>1</sup>/<sub>4</sub>, NE<sup>1</sup>/<sub>4</sub>NW<sup>1</sup>/<sub>4</sub>NW<sup>1</sup>/<sub>4</sub>, NE<sup>1</sup>/<sub>4</sub>SE<sup>1</sup>/<sub>4</sub>NW<sup>1</sup>/<sub>4</sub> OF SECTION 17, T4N-R62E, FALLON COUNTY, MONTANA (TO BE COMBINED WITH ADDITIONAL LANDS LOCATED IN THE STATE OF NORTH DAKOTA), FOR THE PRODUCTION OF OIL AND ASSOCIATED NATURAL GAS FROM THE MISSION CANYON FORMATION / MADISON GROUP WITH RESPECT TO THE LITTLE BEAVER EAST MC22-17NH WELL.

ORDER 59-2020

Docket No. 65-2020

Report of the Board

The above entitled cause came on regularly for hearing on December 3, 2020, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing. All parties, their attorneys, and interested persons were afforded the opportunity to present testimony and evidence at the hearing either in person or, because of the Covid-19 pandemic, via teleconference.
2. The lands described in the caption were designated a temporary spacing unit for production from the Mission Canyon formation by Montana Board of Oil and Gas Conservation Order 24-2018 along with additional lands located in the State of North Dakota. Applicant has completed the Little Beaver East MC22-17NH well.
3. The applicant testified that the North Dakota Industrial Commission has approved permanent spacing for the lands located in North Dakota.
4. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Conclusions of Law

The Board concludes that the applicant demonstrated the requirements of § 82-11-201, MCA have been met.

Order

IT IS THEREFORE ORDERED by the Board that Lots 3 & 4, SW<sup>1</sup>/<sub>4</sub> of Section 8, Lots 1 & 2, NE<sup>1</sup>/<sub>4</sub>NW<sup>1</sup>/<sub>4</sub>, NE<sup>1</sup>/<sub>4</sub>NW<sup>1</sup>/<sub>4</sub>NW<sup>1</sup>/<sub>4</sub>, NE<sup>1</sup>/<sub>4</sub>SE<sup>1</sup>/<sub>4</sub>NW<sup>1</sup>/<sub>4</sub> of Section 17, T4N-R62E, Fallon County, Montana (to be combined with additional lands located in the State of North Dakota), is designated a permanent spacing unit for production of oil and associated natural gas from the Mission Canyon Formation/Madison Group from the Little Beaver East MC22-17NH well.

BOARD ORDER NO. 59-2020

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 3<sup>rd</sup> day of December, 2020.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Steven Durrett, Chairman

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Paul Gatzemeier, Vice-Chairman

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Mac McDermott, Board Member

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Linda Nelson, Board Member

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Dennis Trudell, Board Member

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Joseph Michael Weber, Board Member

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Corey Welter, Board Member

ATTEST:

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Erin Ricci, Administrative Assistant

BEFORE THE BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

UPON THE APPLICATION OF DENBURY ONSHORE LLC TO POOL ALL INTERESTS IN THE PERMANENT SPACING UNIT COMPRISED OF LOTS 3 & 4, SW $\frac{1}{4}$  OF SECTION 8, LOTS 1 & 2, NE $\frac{1}{4}$ NW $\frac{1}{4}$ , NE $\frac{1}{4}$ NW $\frac{1}{4}$ NW $\frac{1}{4}$ , NE $\frac{1}{4}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$  OF SECTION 17, T4N-R62E, FALLON COUNTY, MONTANA (TO BE COMBINED WITH ADDITIONAL LANDS LOCATED IN THE STATE OF NORTH DAKOTA), FOR THE PRODUCTION OF OIL AND ASSOCIATED NATURAL GAS FROM THE MISSION CANYON FORMATION / MADISON GROUP AND TO AUTHORIZE THE RECOVERY OF NON-CONSENT PENALTIES IN ACCORDANCE WITH SECTION 82-11-202(2), M.C.A., WITH RESPECT TO THE LITTLE BEAVER EAST MC22-17NH WELL.

ORDER 60-2020

Docket No. 66-2020

Report of the Board

The above entitled cause came on regularly for hearing on December 3, 2020, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing. All parties, their attorneys, and interested persons were afforded the opportunity to present testimony and evidence at the hearing either in person or, because of the Covid-19 pandemic, via teleconference.
2. Applicant is an interest owner and operator in the spacing unit identified in the caption as established by Montana Board of Oil and Gas Conservation Order 59-2020. The applicant has been unable to acquire voluntary pooling of all interests within the spacing unit.
3. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Conclusions of Law

The Board concludes that the applicant demonstrated the requirements of § 82-11-202, MCA have been met.

Order

IT IS THEREFORE ORDERED by the Board that all interests in the permanent spacing unit comprised of Lots 3 & 4, SW $\frac{1}{4}$  of Section 8, Lots 1 & 2, NE $\frac{1}{4}$ NW $\frac{1}{4}$ , NE $\frac{1}{4}$ NW $\frac{1}{4}$ NW $\frac{1}{4}$ , NE $\frac{1}{4}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$  of Section 17, T4N-R62E, Fallon County, Montana (to be combined with additional lands located in the State of North Dakota), are hereby pooled on the basis of surface acreage for production of oil and associated natural gas from the Mission Canyon Formation/Madison Group.

BOARD ORDER NO. 60-2020

IT IS FURTHER ORDERED that applicant is authorized to recover non-consent penalties in accordance with § 82-11-202(2), MCA, with respect to the Little Beaver East MC22-17NH well.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 3<sup>rd</sup> day of December, 2020.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Steven Durrett, Chairman

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Paul Gatzemeier, Vice-Chairman

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Mac McDermott, Board Member

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Linda Nelson, Board Member

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Dennis Trudell, Board Member

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Joseph Michael Weber, Board Member

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Corey Welter, Board Member

ATTEST:

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Erin Ricci, Administrative Assistant

BEFORE THE BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

UPON THE APPLICATION OF DENBURY ONSHORE LLC TO DESIGNATE A PERMANENT SPACING UNIT COMPRISED OF LOTS 2 & 3 OF SECTION 17, T4N-R62E, FALLON COUNTY, MONTANA (TO BE COMBINED WITH ADDITIONAL LANDS LOCATED IN THE STATE OF NORTH DAKOTA), FOR THE PRODUCTION OF OIL AND ASSOCIATED NATURAL GAS FROM THE MISSION CANYON FORMATION / MADISON GROUP WITH RESPECT TO THE CEDAR CREEK MC22-17SH WELL.

ORDER 61-2020

Docket No. 67-2020

Report of the Board

The above entitled cause came on regularly for hearing on December 3, 2020, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing. All parties, their attorneys, and interested persons were afforded the opportunity to present testimony and evidence at the hearing either in person or, because of the Covid-19 pandemic, via teleconference.
2. The lands described in the caption were designated a temporary spacing unit for production from the Mission Canyon formation by Montana Board of Oil and Gas Conservation Order 25-2018 along with additional lands located in the State of North Dakota. Applicant has completed the Cedar Creek MC22-17SH well.
3. The applicant testified that the North Dakota Industrial Commission has approved permanent spacing for the lands located in North Dakota.
4. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Conclusions of Law

The Board concludes that the applicant demonstrated the requirements of § 82-11-201, MCA have been met.

Order

IT IS THEREFORE ORDERED by the Board that Lots 2 & 3 of Section 17, T4N-R62E, Fallon County, Montana (to be combined with additional lands located in the State of North Dakota), is designated a permanent spacing unit for production of oil and associated natural gas from the Mission Canyon Formation/Madison Group from the Cedar Creek MC22-17SH well.

BOARD ORDER NO. 61-2020

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 3<sup>rd</sup> day of December, 2020.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Steven Durrett, Chairman

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Paul Gatzemeier, Vice-Chairman

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Mac McDermott, Board Member

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Linda Nelson, Board Member

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Dennis Trudell, Board Member

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Joseph Michael Weber, Board Member

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Corey Welter, Board Member

ATTEST:

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Erin Ricci, Administrative Assistant

BEFORE THE BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

UPON THE APPLICATION OF DENBURY ONSHORE LLC TO POOL ALL INTERESTS IN THE PERMANENT SPACING UNIT COMPRISED OF LOTS 2 & 3 OF SECTION 17, T4N-R62E, FALLON COUNTY, MONTANA (TO BE COMBINED WITH ADDITIONAL LANDS LOCATED IN THE STATE OF NORTH DAKOTA), FOR THE PRODUCTION OF OIL AND ASSOCIATED NATURAL GAS FROM THE MISSION CANYON FORMATION / MADISON GROUP AND TO AUTHORIZE THE RECOVERY OF NON-CONSENT PENALTIES IN ACCORDANCE WITH SECTION 82-11-202(2), M.C.A., WITH RESPECT TO THE CEDAR CREEK MC22-17SH WELL.

ORDER 62-2020

Docket No. 68-2020

Report of the Board

The above entitled cause came on regularly for hearing on December 3, 2020, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing. All parties, their attorneys, and interested persons were afforded the opportunity to present testimony and evidence at the hearing either in person or, because of the Covid-19 pandemic, via teleconference.
2. Applicant is an interest owner and operator in the spacing unit identified in the caption as established by Montana Board of Oil and Gas Conservation Order 61-2020. The applicant has been unable to acquire voluntary pooling of all interests within the spacing unit.
3. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Conclusions of Law

The Board concludes that the applicant demonstrated the requirements of § 82-11-202, MCA have been met.

Order

IT IS THEREFORE ORDERED by the Board that all interests in the permanent spacing unit comprised of Lots 2 & 3 of Section 17, T4N-R62E, Fallon County, Montana (to be combined with additional lands located in the State of North Dakota), are hereby pooled on the basis of surface acreage for production of oil and associated natural gas from the Mission Canyon Formation/Madison Group.

BOARD ORDER NO. 62-2020

IT IS FURTHER ORDERED that applicant is authorized to recover non-consent penalties in accordance with § 82-11-202(2), MCA, with respect to the Cedar Creek MC22-17SH well.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 3<sup>rd</sup> day of December, 2020.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Steven Durrett, Chairman

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Paul Gatzemeier, Vice-Chairman

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Mac McDermott, Board Member

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Linda Nelson, Board Member

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Dennis Trudell, Board Member

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Joseph Michael Weber, Board Member

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Corey Welter, Board Member

ATTEST:

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Erin Ricci, Administrative Assistant

BEFORE THE BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

REQUEST FOR A CHANGE OF OPERATOR, AND AS REQUIRED BY BOARD POLICY, THE BOARD WILL HOLD A HEARING TO CONSIDER APPROVAL OF THE TRANSFER OF PLUGGING AND RECLAMATION RESPONSIBILITIES FOR 49 WELLS IN PONDERA COUNTY, MONTANA, IDENTIFIED IN THE APPLICATION FROM MOUNTAIN VIEW ENERGY, INC. TO MONTALBAN OIL & GAS OPERATIONS, INC. AND TO DETERMINE IF THE PROPOSED PLUGGING AND RECLAMATION BOND COVERAGE IS ADEQUATE UNDER § 82-11-123(5), MCA.

ORDER 56-2020

Docket No. 69-2020

Report of the Board

The above entitled cause came on regularly for hearing on December 3, 2020, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing. All parties, their attorneys, and interested persons were afforded the opportunity to present testimony and evidence at the hearing either in person or, because of the Covid-19 pandemic, via teleconference.
2. Patrick Montalban, CEO, appeared as a witness for Montalban Oil & Gas Operations, Inc. (Montalban).
3. The Board and its staff reviewed Montalban's pending change of operator request.
4. The Board determined that Montalban's current multiple well plugging and reclamation bond of \$50,000 to cover its producing wells and an additional \$15,000 UIC bond for the two injection wells were adequate and in accordance with ARM 36.22.1308(3).
5. The evidence indicates that taking the following action will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Conclusions of Law

The Board concludes that taking the following action is appropriate.

Order

IT IS THEREFORE ORDERED by the Board that staff may proceed with administrative review and approval of the change of operator request.

BOARD ORDER NO. 56-2020

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 3<sup>rd</sup> day of December, 2020.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Steven Durrett, Chairman

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Paul Gatzemeier, Vice-Chairman

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Mac McDermott, Board Member

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Linda Nelson, Board Member

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Dennis Trudell, Board Member

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Joseph Michael Weber, Board Member

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Corey Welter, Board Member

ATTEST:

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Erin Ricci, Administrative Assistant

BEFORE THE BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

REQUEST FOR A CHANGE OF OPERATOR, AND AS REQUIRED BY BOARD POLICY, THE BOARD WILL HOLD A HEARING TO CONSIDER APPROVAL OF THE TRANSFER OF PLUGGING AND RECLAMATION RESPONSIBILITIES FOR 48 WELLS IN VALLEY COUNTY, MONTANA, IDENTIFIED IN THE APPLICATION FROM ANADARKO MINERALS, INC. TO A&S MINERAL DEVELOPMENT CO., LLC AND TO DETERMINE IF THE PROPOSED PLUGGING AND RECLAMATION BOND COVERAGE IS ADEQUATE UNDER § 82-11-123(5), MCA.

ORDER 63-2020

Docket No. 70-2020

Report of the Board

The above entitled cause came on regularly for hearing on December 3, 2020, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing. All parties, their attorneys, and interested persons were afforded the opportunity to present testimony and evidence at the hearing either in person or, because of the Covid-19 pandemic, via teleconference.

2. Dan Wennar, attorney, Heather Ready, attorney, Jaime Adkins, consultant, and Dave Ponto, consultant, appeared on behalf of A&S Mineral Development Co. LLC (A&S).

3. James Parrot, attorney and Lee Murphy, CFO of Diamond Resources Co. (Diamond), telephoned in to protest the application. The Board also received numerous letters in protest of the application.

4. The Board and its staff reviewed A&S's change of operator request from Anadarko Minerals, Inc (Anadarko).

5. A&S proposed to match Anadarko's plugging and reclamation bond of a \$50,000 multiple well bond that would cover fee wells in the transfer. A&S offered to present confidential financial information to the Board in a closed meeting if the Board desired.

6. Diamond testified that Anadarko no longer had the leases to a number of the wells being included in the transfer and requested the docket be continued until the February 4, 2020 hearing to allow time for them to work with Anadarko and A&S and sort through some of the lease issues.

7. Board staff expressed concern about the possibility of transferring wells from one operator to another when the receiving operator does not have the legal right to produce or plug the wells.

8. The evidence indicates that taking the following action will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

BOARD ORDER NO. 63-2020

Conclusions of Law

The Board concludes that taking the following action is appropriate.

Order

IT IS THEREFORE ORDERED by the Board that Docket 70-2020 is continued until the February 4, 2021, public hearing.

IT IS FURTHER ORDERED by the Board that a committee of Board members Paul Gatzemeier, Corey Welter, and Joseph Michael Weber along with Board staff meet with A&S prior to the February 4, 2021, public hearing to review its financial information.

BOARD ORDER NO. 63-2020

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 3<sup>rd</sup> day of December, 2020.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Steven Durrett, Chairman

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Paul Gatzemeier, Vice-Chairman

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Mac McDermott, Board Member

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Linda Nelson, Board Member

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Dennis Trudell, Board Member

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Joseph Michael Weber, Board Member

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Corey Welter, Board Member

ATTEST:

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Erin Ricci, Administrative Assistant

BEFORE THE BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

UPON THE BOARD'S OWN MOTION TO REQUIRE PAMECT OIL, KEITH E. TYNER DBA TO APPEAR AND SHOW CAUSE, IF ANY IT HAS, WHY ADDITIONAL PENALTIES SHOULD NOT BE IMPOSED FOR FAILURE TO FILE PRODUCTION REPORTS AND TO PAY THE ADMINISTRATIVE PENALTY ASSESSED FOR DELINQUENT REPORTING. IN ACCORDANCE WITH BOARD POLICY THE AMOUNT DUE NOW IS \$240.00. THIS DOCKET WILL BE DISMISSED IF PAYMENT AND REPORTS ARE RECEIVED PRIOR TO THE HEARING. FAILURE TO APPEAR AT THE SHOW CAUSE HEARING OR TO MAKE SUITABLE ARRANGEMENTS PRIOR TO SAID HEARING SUBJECTS PAMECT OIL, KEITH E. TYNER DBA TO FURTHER PENALTIES AS PRESCRIBED BY BOARD POLICY.

ORDER 64-2020

Docket No. 71-2020

Report of the Board

The above entitled cause came on regularly for hearing on December 3, 2020, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing. All parties, their attorneys, and interested persons were afforded the opportunity to present testimony and evidence at the hearing either in person or, because of the Covid-19 pandemic, via teleconference.

2. Staff reported that there are no living owners of Pamect Oil, Keith E. Tyner Dba remaining and that the properties are currently being held in a trust. The properties could be included on a future change of operator request.

3. The evidence indicates that taking the following action will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Conclusions of Law

The Board concludes that taking the following action is appropriate.

Order

IT IS THEREFORE ORDERED by the Board that Docket 71-2020 is continued until the February 4, 2021, public hearing.

BOARD ORDER NO. 64-2020

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 3<sup>rd</sup> day of December, 2020.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Steven Durrett, Chairman

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Paul Gatzemeier, Vice-Chairman

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Mac McDermott, Board Member

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Linda Nelson, Board Member

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Dennis Trudell, Board Member

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Joseph Michael Weber, Board Member

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Corey Welter, Board Member

ATTEST:

\_\_\_\_\_  
Erin Ricci, Administrative Assistant

BEFORE THE BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

UPON THE BOARD'S OWN MOTION TO REQUIRE DRAWINGS, LLC TO APPEAR AND SHOW CAUSE, IF ANY IT HAS, WHY ADDITIONAL PENALTIES SHOULD NOT BE ASSESSED FOR FAILURE TO FILE DELINQUENT PRODUCTION REPORTS, FAILURE TO PAY THE PENALTY ASSESSED FOR DELINQUENT REPORTING, AND FOR FAILURE TO PAY THE \$1,000 FINE ASSESSED FOR NOT APPEARING AT THE OCTOBER 1, 2020, PUBLIC HEARING. DRAWINGS MUST COME INTO REPORTING COMPLIANCE AND PAY ITS FINES BY OCTOBER 29, 2020, OR IT MUST IMMEDIATELY SHUT-IN ITS WELLS FOR ILLEGAL PRODUCTION PER ARM 36.22.1245.

ORDER 65-2020

Docket No. 72-2020

Report of the Board

The above entitled cause came on regularly for hearing on December 3, 2020, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing. All parties, their attorneys, and interested persons were afforded the opportunity to present testimony and evidence at the hearing either in person or, because of the Covid-19 pandemic, via teleconference.
2. No one appeared on behalf of Drawings, LLC (Drawings).
3. Drawings filed the delinquent production reports and paid the outstanding fine prior to this hearing.
5. In the last five years, Drawings has been fined six separate times for delinquent production reporting, three of which were docketed for show cause, and fined once for failure to appear at a public hearing.
6. The evidence indicates that taking the following action will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Conclusions of Law

The Board concludes that taking the following action is appropriate.

BOARD ORDER NO. 65-2020

Order

IT IS THEREFORE ORDERED by the Board that Docket 72-2020 is dismissed.

IT IS FURTHER ORDERED that Board staff send a letter to Drawings reminding them of requirement to appear for show cause hearings and that future compliance issues could result in additional penalties.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 3<sup>rd</sup> day of December, 2020.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Steven Durrett, Chairman

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Paul Gatzemeier, Vice-Chairman

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Mac McDermott, Board Member

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Linda Nelson, Board Member

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Dennis Trudell, Board Member

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Joseph Michael Weber, Board Member

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Corey Welter, Board Member

ATTEST:

\_\_\_\_\_  
Erin Ricci, Administrative Assistant

BEFORE THE BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

UPON THE BOARD'S OWN MOTION TO REQUIRE HAWLEY HYDROCARBONS, MERRIL&CAROL HAWLEY DBA TO APPEAR AND SHOW CAUSE, IF ANY IT HAS, WHY ADDITIONAL PENALTIES SHOULD NOT BE ASSESSED FOR FAILURE TO FILE PRODUCTION AND INJECTION REPORTS, FAILURE TO PAY THE PENALTY ASSESSED FOR DELINQUENT REPORTING, AND FOR FAILURE TO PAY THE \$1,000 FINE ASSESSED FOR NOT APPEARING AT THE OCTOBER 1, 2020, PUBLIC HEARING.

ORDER 66-2020

Docket No. 73-2020

Report of the Board

The above entitled cause came on regularly for hearing on December 3, 2020, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing. All parties, their attorneys, and interested persons were afforded the opportunity to present testimony and evidence at the hearing either in person or, because of the Covid-19 pandemic, via teleconference.
2. No one appeared on behalf of Hawley Hydrocarbons, Merrill&Carol Hawley Dba (Hawley Hydrocarbons).
3. Hawley Hydrocarbons filed production and injection reports through March 2020 but remains delinquent for the subsequent months due. The outstanding fine of \$1,420 has not been paid.
4. Merrill Hawley submitted a letter requesting additional time to get Hawley Hydrocarbons into reporting compliance.
5. The evidence indicates that taking the following action will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Conclusions of Law

The Board concludes that taking the following action is appropriate.

BOARD ORDER NO. 66-2020

Order

IT IS THEREFORE ORDERED by the Board that Docket 73-2020 is continued until the February 4, 2021, public hearing.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 3<sup>rd</sup> day of December, 2020.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Steven Durrett, Chairman

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Paul Gatzemeier, Vice-Chairman

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Mac McDermott, Board Member

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Linda Nelson, Board Member

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Dennis Trudell, Board Member

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Joseph Michael Weber, Board Member

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Corey Welter, Board Member

ATTEST:

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Erin Ricci, Administrative Assistant

BEFORE THE BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

UPON THE BOARD'S OWN MOTION TO REQUIRE HAWLEY OIL COMPANY TO APPEAR AND SHOW CAUSE, IF ANY IT HAS, WHY ADDITIONAL PENALTIES SHOULD NOT BE ASSESSED FOR FAILURE TO FILE PRODUCTION REPORTS, FAILURE TO PAY THE PENALTY ASSESSED FOR DELINQUENT REPORTING, AND FOR FAILURE TO PAY THE \$1,000 FINE ASSESSED FOR NOT APPEARING AT THE OCTOBER 1, 2020, PUBLIC HEARING.

ORDER 67-2020

Docket No. 74-2020

Report of the Board

The above entitled cause came on regularly for hearing on December 3, 2020, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing. All parties, their attorneys, and interested persons were afforded the opportunity to present testimony and evidence at the hearing either in person or, because of the Covid-19 pandemic, via teleconference.
2. No one appeared on behalf of Hawley Oil Company (Hawley Oil).
3. Hawley Oil filed production reports but has not paid the outstanding fine of \$1,900.
4. The evidence indicates that taking the following action will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Conclusions of Law

The Board concludes that taking the following action is appropriate.

Order

IT IS THEREFORE ORDERED by the Board that Docket 74-2020 is continued until the February 4, 2021, public hearing.

BOARD ORDER NO. 67-2020

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 3<sup>rd</sup> day of December, 2020.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Steven Durrett, Chairman

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Paul Gatzemeier, Vice-Chairman

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Mac McDermott, Board Member

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Linda Nelson, Board Member

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Dennis Trudell, Board Member

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Joseph Michael Weber, Board Member

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Corey Welter, Board Member

ATTEST:

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Erin Ricci, Administrative Assistant

BEFORE THE BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

UPON THE BOARD'S OWN MOTION TO REQUIRE HAWLEY-NORTHROP TO APPEAR AND SHOW CAUSE, IF ANY IT HAS, WHY ADDITIONAL PENALTIES SHOULD NOT BE ASSESSED FOR FAILURE TO FILE DELINQUENT PRODUCTION REPORTS, FAILURE TO PAY THE PENALTY ASSESSED FOR DELINQUENT REPORTING, AND FOR FAILURE TO PAY THE \$1,000 FINE ASSESSED FOR NOT APPEARING AT THE OCTOBER 1, 2020, PUBLIC HEARING.

ORDER 68-2020

Docket No. 75-2020

Report of the Board

The above entitled cause came on regularly for hearing on December 3, 2020, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing. All parties, their attorneys, and interested persons were afforded the opportunity to present testimony and evidence at the hearing either in person or, because of the Covid-19 pandemic, via teleconference.
2. No one appeared on behalf of Hawley-Northrup.
3. Hawley-Northrup filed production reports through March 2020 but remains delinquent for the subsequent months due. The outstanding fine of \$1,160 has not been paid.
4. Merrill Hawley submitted a letter requesting additional time to get Hawley-Northrup into reporting compliance.
5. The evidence indicates that taking the following action will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Conclusions of Law

The Board concludes that taking the following action is appropriate.

Order

IT IS THEREFORE ORDERED by the Board that Docket 75-2020 is continued until the February 4, 2021, public hearing.

BOARD ORDER NO. 68-2020

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 3<sup>rd</sup> day of December, 2020.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Steven Durrett, Chairman

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Paul Gatzemeier, Vice-Chairman

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Mac McDermott, Board Member

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Linda Nelson, Board Member

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Dennis Trudell, Board Member

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Joseph Michael Weber, Board Member

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Corey Welter, Board Member

ATTEST:

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Erin Ricci, Administrative Assistant

BEFORE THE BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

UPON THE BOARD'S OWN MOTION TO REQUIRE SHADWELL RESOURCES GROUP, LLC TO APPEAR AND SHOW CAUSE, IF ANY IT HAS, WHY ADMINISTRATIVE ORDER 3-A-2020 ISSUED AT THE JUNE 24, 2020, BUSINESS MEETING SHOULD NOT REMAIN IN EFFECT FOR THE VELMA SWD 1-10H WELL, API # 25-083-22531, LOCATED IN THE NW¼NW¼ OF SECTION 10, T23N-R58E, RICHLAND COUNTY, MONTANA. IT WAS ORDERED THAT SHADWELL RESOURCES GROUP, LLC MUST IMMEDIATELY CEASE OPERATIONS AT THE VELMA SWD 1-10H WELL AND THAT NO ADDITIONAL FLUIDS BE TRANSPORTED TO THE LOCATION UNTIL VIOLATIONS ARE REMEDIED, COMPLIANCE IS CONFIRMED BY INSPECTION, AND THIS ORDER IS LIFTED BY THE ADMINISTRATOR. SHADWELL IS SUBJECT TO A \$250 FINE FOR EACH DAY AFTER AUGUST 24, 2020, THAT THE VIOLATIONS REMAIN UNRESOLVED.

ORDER 69-2020

Docket No. 41-2020

Report of the Board

The above entitled cause came on regularly for hearing on December 3, 2020, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing. All parties, their attorneys, and interested persons were afforded the opportunity to present testimony and evidence at the hearing either in person or, because of the Covid-19 pandemic, via teleconference.
2. Kevin Leland, by telephone, appeared as a witness for Shadwell Resources Group, LLC (Shadwell).
3. Administrative order 3-A-2020, issued on June 25, 2020, directed Shadwell, the bonded operator, to immediately cease operations at the Velma SWD 1-10H well and that no additional fluids be transported to the location until violations are remedied, compliance is confirmed by inspection, and this order is lifted by the Administrator. The issues to be remedied include two spills that need to be cleaned up, overflowing dumpster with used filter socks, lack of weed control, open containers with oily fluids, and a leaking tank.
4. Board order 34-2020, issued on August 6, 2020, subjected Shadwell to a \$250 fine for each day after August 24, 2020 that the violations at the Velma SWD 1-10H remain unresolved. Board order 55-2020 issued on October 1, 2020 increased the fine to \$500 for each day after October 1, 2020 that the violation remain unresolved.
5. At the time of hearing, the outstanding field compliance issues have been resolved, but the fine has not been paid. The total fine amount is \$13,750.

BOARD ORDER NO. 69-2020

6. Mr. Leland testified that Shadwell sold ownership of the well on April 30, 2020 and has no plans to inject fluid into the well.

7. The evidence indicates that taking the following action will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Conclusions of Law

The Board concludes that taking the following action is appropriate.

Order

IT IS THEREFORE ORDERED that if a change of operator for the Velma SWD 1-10H is received prior to January 7, 2021, and approved at the February 4, 2021 hearing, the \$13,750 fine will be reduced to \$6,875.

IT IS FURTHER ORDERED by the Board that Docket 41-2020 is continued until the February 4, 2021, public hearing.

BOARD ORDER NO. 69-2020

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 3<sup>rd</sup> day of December, 2020.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Steven Durrett, Chairman

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Paul Gatzemeier, Vice-Chairman

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Mac McDermott, Board Member

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Linda Nelson, Board Member

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Dennis Trudell, Board Member

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Joseph Michael Weber, Board Member

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Corey Welter, Board Member

ATTEST:

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Erin Ricci, Administrative Assistant

BEFORE THE BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

UPON THE BOARD'S OWN MOTION TO REQUIRE ROLAND OIL AND GAS TO APPEAR AND SHOW CAUSE, IF ANY IT HAS, WHY ADDITIONAL PENALTIES SHOULD NOT BE ASSESSED FOR FAILURE TO FILE DELINQUENT PRODUCTION REPORTS, FAILURE TO PAY THE PENALTY ASSESSED FOR DELINQUENT REPORTING, AND FAILURE TO APPEAR AT THE AUGUST 6, 2020, PUBLIC HEARING.

ORDER 70-2020

Docket No. 51-2020

Report of the Board

The above entitled cause came on regularly for hearing on December 3, 2020, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing. All parties, their attorneys, and interested persons were afforded the opportunity to present testimony and evidence at the hearing either in person or, because of the Covid-19 pandemic, via teleconference.
2. No one appeared on behalf of Roland Oil and Gas (Roland).
3. Roland has submitted the necessary reports but has not paid the outstanding fine of \$1,400.
4. The evidence indicates that taking the following action will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Conclusions of Law

The Board concludes that the respondent has not demonstrated that the requirements of Title 82, Chapter 11, MCA and ARM 36.22.101, et seq. have been met.

Order

IT IS THEREFORE ORDERED that Roland is fined \$1,000 for failure to appear at the December 3, 2020, public hearing.

IT IS FURTHER ORDERED by the Board that Docket 51-2020 is continued until the February 4, 2021, public hearing.

BOARD ORDER NO. 70-2020

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 3<sup>rd</sup> day of December, 2020.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Steven Durrett, Chairman

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Paul Gatzemeier, Vice-Chairman

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Mac McDermott, Board Member

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Linda Nelson, Board Member

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Dennis Trudell, Board Member

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Joseph Michael Weber, Board Member

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Corey Welter, Board Member

ATTEST:

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Erin Ricci, Administrative Assistant

BEFORE THE BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

UPON THE BOARD'S OWN MOTION TO REQUIRE ZEIDERS BROS. OIL & GAS, LLC TO APPEAR AND SHOW CAUSE, IF ANY IT HAS, WHY IT SHOULD NOT IMMEDIATELY PLUG AND ABANDON ITS RUDOLPH HAYNIE 1-5 WELL, API # 25-055-21207, LOCATED IN THE SE¼NE¼ OF SECTION 5, T22N-R47E, MCCONE COUNTY, MONTANA BEFORE THE OCTOBER 1, 2020, PUBLIC HEARING AND PAY THE OUTSTANDING FINE IN THE AMOUNT OF \$10,500, AS REQUIRED BY BOARD ORDER 3-2020.

ORDER 71-2020

Docket No. 52-2020

Report of the Board

The above entitled cause came on regularly for hearing on December 3, 2020, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing. All parties, their attorneys, and interested persons were afforded the opportunity to present testimony and evidence at the hearing either in person or, because of the Covid-19 pandemic, via teleconference.
2. No one appeared on behalf of Zeiders Bros. Oil & Gas, LLC (Zeiders).
3. The evidence indicates that taking the following action will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Conclusions of Law

The Board concludes that the respondent has not demonstrated that the requirements of Title 82, Chapter 11, MCA and ARM 36.22.101, et seq. have been met.

Order

IT IS THEREFORE ORDERED that Zeiders is fined \$1,000 for failure to appear at the December 3, 2020, public hearing.

IT IS FURTHER ORDERED that Zeiders is subject to a \$250 fine for each day after receipt of this order, until an approvable plugging plan has been submitted to Board staff.

IT IS FURTHER ORDERED by the Board that Docket 52-2020 is continued until the February 4, 2021, public hearing.

BOARD ORDER NO. 71-2020

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 3<sup>rd</sup> day of December, 2020.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Steven Durrett, Chairman

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Paul Gatzemeier, Vice-Chairman

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Mac McDermott, Board Member

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Linda Nelson, Board Member

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Dennis Trudell, Board Member

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Joseph Michael Weber, Board Member

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Corey Welter, Board Member

ATTEST:

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Erin Ricci, Administrative Assistant

BEFORE THE BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

UPON THE BOARD'S OWN MOTION TO REQUIRE ANG HOLDING (USA) CORP. TO APPEAR AND SHOW CAUSE, IF ANY IT HAS, WHY ADDITIONAL PENALTIES SHOULD NOT BE IMPOSED FOR FAILURE TO FILE PRODUCTION REPORTS AND TO PAY THE ADMINISTRATIVE PENALTY ASSESSED FOR DELINQUENT REPORTING. IN ACCORDANCE WITH BOARD POLICY THE AMOUNT DUE NOW IS \$1,860.00. THIS DOCKET WILL BE DISMISSED IF PAYMENT AND REPORTS ARE RECEIVED PRIOR TO THE HEARING. FAILURE TO APPEAR AT THE SHOW CAUSE HEARING OR TO MAKE SUITABLE ARRANGEMENTS PRIOR TO SAID HEARING SUBJECTS ANG HOLDING (USA) CORP. TO FURTHER PENALTIES AS PRESCRIBED BY BOARD POLICY.

ORDER 72-2020

Docket No. 54-2020

Report of the Board

The above entitled cause came on regularly for hearing on December 3, 2020, at the Board's hearing room at 2535 St. Johns Avenue in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements, exhibits, and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing. All parties, their attorneys, and interested persons were afforded the opportunity to present testimony and evidence at the hearing either in person or, because of the Covid-19 pandemic, via teleconference.
2. No one appeared on behalf of ANG Holding (USA) Corp. (ANG).
3. ANG has filed the delinquent production reports but has not paid the outstanding fine of \$1,860.
4. Charles Selby, President of ANG, submitted a letter prior to the hearing stating that ANG will not be producing any of their wells going forward and requested it be exempted from any continuing requirement to file production reports, or, if that is not possible, for the Board to waive the fine.
5. Staff recommended that ANG continue to be required to file reports, but that the fined could be waived.
6. The evidence indicates that taking the following action will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

Conclusions of Law

The Board concludes that taking the following action is appropriate.

BOARD ORDER NO. 72-2020

Order

IT IS THEREFORE ORDERED by the Board that ANG continue to file reports in accordance with Board rules.

IT IS FURTHER ORDERED that the \$1,860 fine is waived.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 3<sup>rd</sup> day of December, 2020.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA

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Steven Durrett, Chairman

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Paul Gatzemeier, Vice-Chairman

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Mac McDermott, Board Member

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Linda Nelson, Board Member

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Dennis Trudell, Board Member

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Joseph Michael Weber, Board Member

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Corey Welter, Board Member

ATTEST:

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Erin Ricci, Administrative Assistant